



PRE-FILED TESTIMONY OF
EVERSOURCE ENERGY

Before the Energy & Technology Committee

March 8, 2022

RE: S.B. 275, An Act Concerning Economic Development Tariffs.

This testimony is sponsored by Vincent P. Pace, Assistant General Counsel for Eversource Energy (“Eversource”). Eversource thanks the Committee for this opportunity to submit written testimony on S.B. 275 (the “Bill” or “S.B. 275”).

BACKGROUND ON EVERSOURCE

Eversource transmits and delivers electricity to approximately 1.27 million customers in 149 municipalities in Connecticut; provides natural gas to approximately 246,000 customers in 74 towns in Connecticut; and provides water service to 216,000 customers in 52 towns in Connecticut through Aquarion Water Company. Eversource relies heavily on the skill and dedication of approximately 3,500 employees in Connecticut to deliver safe and reliable electric, natural gas and water service to customers, along with superior customer service.

COMMENTS ON S.B. 275

S.B. 275 proposes to authorize the Public Utilities Regulatory Authority (“PURA”) to negotiate and approve one or more agreements for “an economic development rate for new or existing customers” for an initial five-year period and a potential five-year extension period, if approved by PURA, for commercial or industrial (“C&I”) customers “structured as a fixed utility bill credit of two cents per kilowatt hour.”

Eversource strongly supports economic development for Connecticut, including reasonable efforts that seek to attract new investment and jobs to our State. However, Eversource looks forward to working with this Committee and other stakeholders to evaluate the potential implementation of, among other things, the following important protections for all other customers to whom the cost of such arrangements would be allocated.

1. The Bill currently does not impose a limit on the total annual or cumulative amount of bill discounts PURA can elect to award to C&I customers under this initiative. Such a limit could potentially be helpful to place parameters around the overall cost of the program that would be allocated to all other customers.
2. The Bill states that – when PURA awards a bill discount to a C&I customer who moves to Connecticut – then similarly situated existing customers in the State would also be eligible

for the same bill discount.¹ It may be helpful for Section 1(c) of the Bill to provide additional details on which existing in-State customers would become eligible for bill discounts to facilitate PURA's decision-making process in such instances.

3. Section 1(a)(3) of the Bill automatically awards a fixed bill discount of two cents per kilowatt hour, stating "[t]he economic development rate shall be structured as a fixed utility bill credit of two cents per kilowatt hour." If a new C&I customer only requires a credit of one cent or one & one-half cents per kilowatt hour, it is unclear why the Bill automatically awards a discount of two cents. Eversource therefore recommends that PURA receive the discretion to elect to award a discount of "up to" two cents per kilowatt hour depending on the needs of the new C&I customer Connecticut seeks to incent to relocate to our State.
4. Finally, the Bill should specify how the cost of each discount will be allocated among all other customers.

¹ See Section 1(c), stating "If the authority approves an economic development rate agreement for one or more new customers moving to the state, existing customers in the state who satisfy the same eligibility requirements shall be entitled to enter into a like agreement."